



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 16, 2000

S. 2917 **Santo Domingo Pueblo Claims Settlement Act of 2000**

As passed by the Senate on October 11, 2000

SUMMARY

S. 2917 would ratify a settlement agreement entered into by the Departments of Justice (DOJ), the Interior (DOI), and Agriculture with the Pueblo of Santo Domingo. Under the agreement, the tribe would receive a total of \$23 million from the federal government in exchange for extinguishing certain claims against the government. In addition, the agreement would transfer and place in trust approximately 4,500 acres of federal land for the benefit of the tribe. The legislation also would authorize the Secretary of Agriculture to sell 7,355 acres of national forest land to the tribe for \$3.7 million and would allow the U.S. Forest Service (USFS) to spend that amount, without further appropriation action, to purchase nonfederal lands within or adjacent to national forests in New Mexico.

CBO estimates that enacting S. 2917 would increase direct spending from the Judgment Fund of the U.S. Treasury by \$8 million in fiscal year 2001. That payment could be offset by a reduction in possible future payments from the Judgment Fund to settle the tribe's claims, but CBO cannot estimate the magnitude or likelihood of such an offset. In addition, the federal government could forgo offsetting receipts from grazing fees by transferring federal land to the tribe, but CBO estimates that the annual amount of such forgone receipts would be negligible. Because the legislation would affect direct spending (including offsetting receipts), pay-as-you-go procedures would apply.

In addition, S. 2917 would authorize the appropriation of \$5 million in each of fiscal years 2002 through 2004 to satisfy the terms of the settlement agreement. CBO estimates that providing the three payments would cost \$15 million over fiscal years 2002 through 2004, assuming appropriation of the authorized amounts. Because we expect that the tribe would use \$3.7 million of the 2004 appropriation to purchase national forest land, CBO estimates that the appropriation would increase receipts subject to appropriation in 2006, with the USFS subsequently spending such amounts in fiscal years 2007 and 2008.

S. 2917 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs incurred by the tribe would be accepted voluntarily as part of the settlement agreement.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2917 is shown in the following table. This estimate assumes that the amounts authorized will be appropriated and that the legislation will be enacted near the beginning of fiscal year 2001. The costs of this legislation fall within budget functions 800 (general government), 450 (community and regional development), and 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars				
	2001	2002	2003	2004	2005
CHANGES IN DIRECT SPENDING					
Budget Authority	8	*	*	*	*
Estimated Outlays	8	*	*	*	*
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization Level	0	5	5	5	0
Estimated Outlays	0	5	5	5	0

*=Less than \$500,000.

BASIS OF ESTIMATE

Enacting S. 2917 would result in a payment of \$8 million from the Judgment Fund to the tribe. It also would authorize the appropriation of \$15 million and the transfer and sale of federal land to the tribe.

Direct Spending

Under the terms of the settlement agreement, the federal government would pay \$8 million to the tribe from the Judgment Fund in 2001. Based on information from DOJ and DOI and because the land transfer provisions of the settlement agreement require the approval of the Congress, CBO concludes that this payment would not be made absent Congressional approval of the entire settlement, which enacting this bill would provide.

This settlement would extinguish certain claims that the tribe may have against the United States, so it is possible that the amount paid to the tribe under the legislation could be offset by a reduction in payments that would be made from the Judgment Fund in future years. However, CBO cannot estimate either the likelihood or the magnitude of such an offset because there is no basis for predicting either the outcome of pending litigation against the United States or the amount of compensation, if any.

In addition, the federal government could forgo offsetting receipts from grazing fees by transferring federal land to the tribe, but CBO estimates that the annual amount of such forgone receipts would be negligible.

Spending Subject to Appropriation

S. 2917 would authorize the appropriation of \$5 million in each of fiscal years 2002 through 2004 to satisfy the settlement agreement entered into between the federal government and the tribe. Because the funds would become the tribe's property upon deposit into the trust fund established under the legislation, CBO estimates the payments would result in outlays of \$5 million in each of the three fiscal years.

In addition, based on information from DOI and the USFS, CBO estimates that the tribe would use \$3.7 million of the fiscal year 2004 appropriation to purchase the national forest land set aside under the settlement agreement. Because the USFS could spend such amounts without further appropriation action, CBO estimates that the increase in receipts subject to appropriation action would be offset by an equivalent increase in spending over fiscal years 2007 and 2008.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The following table summarizes the estimated impact of S. 2917 on direct spending.

	By Fiscal Year, in Millions of Dollars									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays ^a	8	0	0	0	0	0	0	0	0	0
Changes in receipts	Not applicable									

a. This cost could be offset by a reduction in future payments from the Judgment Fund, but CBO cannot estimate the likelihood or magnitude of such an offset.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 2917 contains no intergovernmental mandates as defined in UMRA. Any costs incurred by the tribe would be accepted voluntarily as part of the settlement agreement. The tribe has agreed to relinquish its land claims in exchange for cash payments and land.

Enactment of this legislation would impose no significant cost on state or local governments. S. 2917 contains no private-sector mandates as defined in UMRA.

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